

## HOUSE RESOLUTION 404

By Hardaway

A RESOLUTION urging the governor to develop and implement an emergency mortgage assistance program.

WHEREAS, poor underwriting practices and abuses in the subprime mortgage market are having a significant negative impact on the housing markets and the U.S. economy; and

WHEREAS, in the coming months, large numbers of subprime adjustable rate mortgages will reset to higher interest rates, placing many thousands of Americans in jeopardy of losing their homes to foreclosure; and

WHEREAS, when home foreclosures spike, the damage is not limited only to those who lose their homes; homes in foreclosure can pose costs for whole neighborhoods, as crime goes up and property values decline; and

WHEREAS, avoiding preventable foreclosures, then, is in the interest of all Tennesseans; and

WHEREAS, at least seven states have implemented innovative programs to address the crisis of unnecessary home foreclosures: Illinois has established a foreclosure prevention loan guarantee fund; Ohio now offers a thirty-year fixed-rate refinancing program through partnerships with Fannie Mae and U.S. Bank; and Pennsylvania has put into place a program to help homeowners make up delinquent payments through either a non-continuing or continuing loan; and

WHEREAS, Connecticut, Maryland, and New York have also established inventive new programs to assist their states' most economically vulnerable homeowners; and

WHEREAS, as part of Governor Deval Patrick's Home Saver Foreclosure Prevention Program, Massachusetts has put into action a five-point plan to prevent foreclosures in the commonwealth; funded in part through a 190 million dollar commitment from Fannie Mae,

borrowers up to 60 days delinquent because of an interest rate reset on a mortgage made through unfair or deceptive lending practices are eligible for the program; and

WHEREAS, other aspects of Governor Patrick's plan include a neighborhood stabilization program, transition resources, consumer outreach and education, and encouraging lenders and servicers to conform to a set of best practices; and

WHEREAS, while other states' solutions may not be the best fit for Tennessee, it is possible to implement many aspects of these programs; preventing unnecessary foreclosures in our State makes economic sense and is an appropriate, proactive response that will permit hard-working Tennesseans to keep their homes while making payments they can afford; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED FIFTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, that we strongly urge the Governor to develop and implement an emergency mortgage assistance program to increase the availability of affordable mortgage solutions for Tennessee homeowners.

BE IT FURTHER RESOLVED, that we urge the Governor to request assistance and recommendations from the Tennessee Housing Development Agency, appropriate federal agencies, and non-governmental organizations in working to develop a mortgage assistance program.

BE IT FURTHER RESOLVED, that an enrolled copy of this resolution be transmitted to the Honorable Phil Bredesen, Governor of the State of Tennessee, and the Director of the Housing Development Agency.